

## 1. FINANCIAL MANAGEMENT

FLC Financial Management will follow FLC Bylaw Article VII Financial Management. NIST acting as the Host Agency will collect and is responsible for the management of Consortium funds and has primary responsibility for compliance with federal finance and accounting rules. NIST as the Host Agency will maintain the overall budget within the government financial system based on the government's fiscal year. For planning purposes, the FLC budget for expenditures will be planned on a fiscal year basis beginning in November to synchronize the budget planning process with the management of the Cooperative Agreement with AUTM.

## 2. BUDGET AND BUDGET REQUESTS

A comprehensive budget covering all FLC activities will be developed by the Finance Officer in conjunction with the Executive Director for review and approval by the Executive Board.

Requests for new or supplemental funding beyond those in the approved budget should be submitted in writing, with supporting documentation, to the Executive Committee and Executive Director. Requests for direct funding from the FLC account at NIST up to the Host Agency Micro purchase limit (currently \$3,500 but may increase if the micro purchase ceiling is raised) may be approved by the FLC Chair or Finance Officer. Requests greater than the micro purchase limit or changes through the Cooperative Agreement may be approved jointly by the Chair, Finance Officer and Executive Director not to exceed \$100,000 cumulatively in a fiscal year. Requests over \$50,000 require review and approval by the Executive Board.

Ratification of the budget and approval of any changes will be coordinated by the Finance Officer and the Host Agency such that the ratification of the budget represents approval by the Federal Project Officer from the Host Agency for work to be performed under the Cooperative Agreement.

## 3. AUTHORITY TO SIGN CONTRACTS

Expenditure of funds provided to the Host Agency for the Consortium use shall be in accordance with the annual budget approved by the Executive Board. Funds shall be expended or transferred in conformance with operating procedures established by the Host Agency.

For funds transferred to the AUTM under the Cooperative Agreement, the Consortium agrees to grant the CEO of AUTM or the FLC Executive Director authority to sign specific subawards involving (a) expenses already budgeted or (b) new or supplemental (unbudgeted) funding as authorized in writing (as described above) without further authorization.

Any binding agreement for expenses beyond the current budget year must be approved by the Host Agency Federal Project Officer, FLC Chair and either the AUTM CEO or FLC Executive Director.

## 4. FINANCIAL RESERVES

The FLC seeks to operate with sufficient financial reserves to enable the organization to develop new programs, respond to promising opportunities and withstand unanticipated emergencies and setbacks. As such, the FLC's goal under non-extraordinary circumstances is to maintain the total unrestricted net assets of the organization at a level equal to at least 60% but not more than 200% of its budgeted annual operating expenses at the Host Agency.

## 5. EXPENSE REIMBURSEMENT

All reimbursements will follow applicable guidelines under the federal grant award. The Host Agency will generally cover travel expenses and reimbursement directly whenever possible. Any reimbursement by AUTM

# FLC Policy: Financial

Approved by the FLC Executive Board on July 22, 2020

for expenses will be agreed in advance and follow approved policies. These policies will be appended to the financial policies and provided to the Executive Board and other participants as appropriate. The policies will be reviewed on an annual basis and may be revised by the Executive Committee from time to time. ([Policy: Reimbursement Travel/Expenses](#) )

## 6. CHECK SIGNING

A policy and process for signing checks and wire transfers has been established by the Kellen Company in association with AUTM. ([Policy: Check Disbursement](#) / [Policy: Wire Transfer Disbursement](#) ).

## 7. FISCAL YEAR

The FLC Fiscal Year at NIST for annual revenue will follow the Federal Fiscal Year. For planning purposes, the FLC planning year will be November through October to facilitate coordination with grant management and compliance.